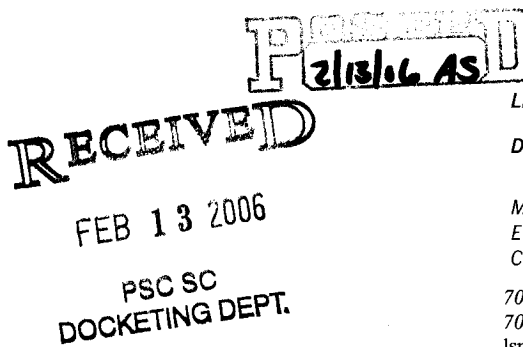




Lara Simmons Nichols
Associate General Counsel



LEGAL DEPARTMENT
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February 8, 2006

The Honorable Charles Terreni
Chief Clerk and Administrator
The Public Service Commission of South Carolina
P. O. Drawer 11649
Columbia, SC 29211

RE: Updated Rate Schedule
Docket No. 2004-276-E

Dear Mr. Terreni:

The Public Service Commission of South Carolina approved in Docket No. 2004-276-E, Order No. 2004-549 ("Order"), a new tariff schedule (Schedule ES) and changes to related rate schedules. It has come to our attention that one of the final rate schedules that Duke Power submitted to the Commission in response to the Order, Schedule RE (SC) Residential Service Electric Water Heating and Space Conditioning, had a typographical error in the third paragraph of the Availability section wherein the names of the months of September and January were transposed.

Enclosed are ten copies of Duke Power's corrected Schedule RE (SC). This corrected schedule is consistent with the proposed changes to Schedule RE (SC) filed by the Company in this docket on October 4, 2004, and approved by the Commission.

If you have any questions regarding this matter, please contact me at 704-382-9960 or Bill Austin at 803-251-7443.

Sincerely,

Lara Simmons Nichols
Richard L. Whitt (Austin, Lewis & Rogers, P.A.)

mjlw

Enclosure

cc: Dan F. Arnett, Chief of Staff, with enclosure
South Carolina Office of Regulatory Staff, with enclosure

SCHEDULE RE (SC)
RESIDENTIAL SERVICE
ELECTRIC WATER HEATING AND SPACE CONDITIONING

AVAILABILITY (South Carolina Only)

Available only to residential customers in residences, condominiums, mobile homes, or individually-metered apartments which provide independent and permanent facilities complete for living, sleeping, eating, cooking, and sanitation. In addition, all energy required for all water heating, cooking, clothes drying, and environmental space conditioning must be supplied electrically, and all electric energy used in such dwelling must be recorded through a single meter.

To qualify for service under this Schedule, the environmental space conditioning system and a separate electric water heater must permanently be installed in accordance with sound engineering practices and the manufacturer's recommendations, and both shall meet the requirements shown under Rate Categories and Requirements below.

Category 2 is closed and not available for service unless the building permit for a residential structure was issued prior to February 1, 2005 and where construction is completed and the structure meets the requirements for Category 2 prior to September 1, 2005. Category 2 remains in effect for structures which did qualify before January 1, 2005 and continue to meet the requirements of Category 2.

TYPE OF SERVICE

The Company will furnish 60 Hertz service through one meter, at one delivery point, at one of the following approximate voltages, where available:

- Single-phase, 120/240 volts; or
- 3-phase, 208Y/120 volts; or other available voltages at the Company's option.

Motors in excess of 2 H. P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the Company.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable General Service schedule.

RATE:

	<u>Category 1</u>	<u>Category 2*</u>
I. Basic Facilities Charge per month	\$6.16	\$6.16
II. Energy Charges		
For the first 1000 kWh used per month, per kWh	6.2341¢	5.9103¢
For all over 1000 kWh used per month, per kWh	6.8731¢	6.5177¢

*Closed effective January 1, 2005 (See Availability above)

RATE CATEGORIES AND REQUIREMENTS

CATEGORY 1 is applicable where the following requirements for electric water heating and environmental space conditioning are met.

An electric water heater meeting the specifications set forth below must be installed and used to supply the entire water heating requirements, except that which may be supplied by non-fossil sources such as solar.

1. Water heaters shall be of the automatic insulated storage type, of not less than 30-gallon capacity and may be equipped with only a lower element or with a lower element and an upper element.
2. Water heaters having only a lower element may have wattages up to but not exceeding the wattages shown below for various tank capacities.

<u>Tank Capacity in Gallons</u>	<u>Maximum Single Element Wattage</u>
30 - 49	4500
50 - 119	5500
120 and larger	Special approval

3. The total wattage of the elements in a water heater with a lower element and an upper element may not exceed the specific wattages above unless the water heater has interlocking thermostats to prevent simultaneous operation of the two elements such that the maximum wattage is not exceeded during operation.

RATE CATEGORIES AND REQUIREMENTS (continued)

Electric space conditioning meeting the specifications set forth below must be installed and used to supply the entire space conditioning requirements, except that which may be supplied by supplemental non-fossil sources such as solar.

1. Room-type systems shall be controlled by individual room thermostats.
2. Heat pumps shall be controlled by two-stage heating thermostats, the first stage controlling compressor operation and the second stage controlling all auxiliary resistance heaters. Auxiliary heaters shall be limited to 48 amps (11.5 KW at 240 volts) each and shall be switched so that the energizing of each successive heater is controlled by a separate adjustable outdoor thermostat. A manual switch for by-pass of the first stage and the interlock of the second stage of the heating thermostat will be permitted.
3. Excess heating capacity (15% more than total calculated heat losses) may be disconnected at the option of the Company.
4. Total heat loss shall not exceed 30 BTUH (at 60 degrees F. temperature differential) per square foot of net heated area. Duke Power's procedure for calculating heat loss or the current edition of ASHRAE (American Society of Heating, Refrigerating, and Air Conditioning Engineers) Guide shall be the source for heat loss calculations. Duct or pipe losses shall be included in the computation of total heat losses.

CATEGORY 2 is applicable for residences which meet the following thermal conditioning requirements in addition to the requirements of Category 1 above. All residential structures for which construction is started on or after June 29, 1993 must meet the following requirements:

1. Ceilings shall have insulation installed having a minimum thermal resistance value of 30 (R-30).
2. Walls exposed to full temperature differential (TD) or unconditioned area shall have a minimum total resistance of R-16.
3. Floors over crawl space shall have insulation installed with a minimum resistance value of R-19.
4. Concrete slab floors shall have perimeter insulation installed having a minimum resistance value of R-6.
5. The residence must be constructed with a continuous vapor barrier on all exterior walls.
6. Windows shall be insulated glass or storm windows.
7. Glass areas shall meet state building code requirements.
8. Doors exposed to full TD shall be weather-stripped and equipped with storm doors or of the insulated type. Other doors exposed to unconditioned areas must be weather-stripped.
9. Air ducts located outside of conditioned space must have: 1) all joints mechanically fastened and sealed, and 2) a minimum of 2 inches of R-6.5 duct wrap insulation, or its equivalent.
10. Ducts for the space conditioning system(s) must be sealed with a permanent finish sealant with air leakage of 3% or less.
11. Attic ventilation must be a minimum of one square foot of free area for each 150 square feet of attic area. Mechanical ventilation or ceiling vapor barrier, in lieu of free area, may be used where necessary, subject to special approval.
12. Chimney flues and fireplaces must have tight-fitting dampers.
13. Central air conditioning systems installed in residences for which construction is started on or after June 29, 1993 (or new central air conditioning systems installed in existing residences after June 29, 1993) must have a Seasonal Energy Efficiency Ratio (SEER) of 11 or more (10.5 or more SEER for package systems).

The following exceptions to the above requirements apply to residential structures served by the Company (or for which a construction was started) prior to June 29, 1993. These exceptions also apply to all manufactured homes.

1. Walls exposed to full temperature differential (TD) or unconditioned area shall have a minimum total resistance of R-12.
2. Number 4 above concerning slab insulation is not applicable.
3. Number 5 above concerning continuous vapor barrier is not applicable.
4. Number 7 above concerning glass limitation is not applicable.
5. Number 10 above concerning duct sealant is not applicable.

Alternate Equivalent Performance Standard: Variations may be made in the Insulation Standards as long as total heat loss does not exceed that calculated using the specific Standards above. Duct or pipe losses shall be included in the computation of total heat losses. Duke Power's procedure for calculating heat loss or the current edition of ASHRAE Guide shall be the source for heat loss calculations.

Billing of service under this schedule will begin after the Customer has notified the Company that qualifications for Category 1 or 2 have been met and the Company has inspected the premises for compliance with the provisions of the applicable category. The Company at all reasonable times shall have the right to periodically inspect the premises of the Customer for compliance with the requirements, subsequent to the initial inspection.

ADJUSTMENT FOR FUEL COSTS

The Company's Adjustment for Fuel Costs is incorporated as a part of, and will apply to, all service supplied under this Schedule.

SALES TAX AND MUNICIPAL FEES

Any applicable sales tax, municipal service agreement fee, business license fee, or other fee assessed by or remitted to a state or local government authority will be added to the charges determined above.

SCHEDULE RE (SC) continued

PAYMENT

Bills under the Schedule are due and payable on the date of the bill at the office of the Company. Bills are past due and delinquent on the twenty-fifth day after the date of the bill. In addition, all bills not paid by the twenty-fifth day after the date of the bill shall be subject to a one and one-half percent (1 1/2%) late payment charge on the unpaid amount. This late payment charge shall be rendered on the following month's bill and it shall become part of and be due and payable with the bill on which it is rendered.

CONTRACT PERIOD

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice.